

STATE OF NEW YORK

7730--A

2025-2026 Regular Sessions

IN SENATE

May 2, 2025

Introduced by Sen. BASKIN -- read twice and ordered printed, and when printed to be committed to the Committee on Procurement and Contracts -- reported favorably from said committee and committed to the Committee on Finance -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the state finance law, in relation to requiring construction contracts entered into by the state include a provision on the spending of soft cost funding

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. The state finance law is amended by adding a new section
2 136-e to read as follows:

3 § 136-e. Soft cost spending for construction contracts. 1. For the
4 purposes of this section, the following terms shall have the following
5 meanings:

6 (a) "Soft costs" (i) shall mean purchases of non-construction specific
7 materials and services, including, but not limited to:

8 (1) office supplies;

9 (2) catering;

10 (3) maintenance materials; and

11 (4) security services; and

12 (ii) shall not mean:

13 (1) pre-construction costs, including legal services, site planning,
14 architectural, and engineering costs; or

15 (2) labor directly related to the construction project.

16 (b) "Professional firm" shall mean any individual or sole proprietor-
17 ship, partnership, corporation, association or other legal entity
18 permitted by law to practice the profession of construction.

19 (c) "Small business" shall have the same meaning as such term is
20 defined in section one hundred thirty-one of the economic development
21 law.

EXPLANATION--Matter in italics (underscored) is new; matter in brackets
[-] is old law to be omitted.

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1 (d) "State agency" shall have the same meaning as defined in subdivi-
2 sion nine of section one hundred sixty of this article.

3 2. It is the policy of New York state to negotiate contracts for
4 constructions on the basis that such professional firms spend a percent
5 of such contract on soft costs to support local small businesses.

6 3. (a) Prior to entering into a contract with a state agency, all
7 professional firms shall submit to such state agency a spending plan
8 accounting for its anticipated soft cost spending during the course of
9 the contract. The spending plan shall require that all soft cost spend-
10 ing be spent on small businesses within a ten-mile radius of the
11 construction site. If a professional firm shows it has exhausted utili-
12 zation of all applicable small businesses within a ten-mile radius and
13 has still not reached its spending plan goal, it may utilize small busi-
14 nesses located within the county in which the construction site is
15 located. The spending plan shall account for twenty percent of the total
16 anticipated soft costs as listed in the spending plan if the
17 construction site is located in a city with a population of one million
18 or more; for construction sites located in cities with a population
19 fewer than one million, the spending plan shall account for fifteen
20 percent of the total amount of anticipated soft costs as listed in the
21 spending plan.

22 (b) The professional firm shall submit a report of its soft cost
23 spending to such state agency on a quarterly basis. The professional
24 firm shall indicate in its report if any of its actual spending differed
25 from the local small businesses listed in its spending plan. Such state
26 agency shall review each report to determine compliance with this
27 section and notify the professional firm if it is found to be non-com-
28 pliant. If such state agency determines that a professional firm is out
29 of compliance for two or more consecutive quarters, such state agency
30 reserves the right to withhold future public funding to the professional
31 firm until the soft cost spending compliance is rectified.

32 (c) Spending goals within this section of law shall not conflict with
33 or modify already existing or future participation goals for the state
34 to contract with minority and women-owned business enterprises in
35 accordance with article fifteen-A of the executive law.

36 § 2. This act shall take effect immediately and shall only apply to
37 contracts executed on or after such effective date.